

STAFF REPORT

To: City Council Finance Committee

Date: March 27, 2009

From: Lauren Bradley, Assistant to the City Manager

Via: Gary W. Jackson, City Manager

Subject: American Reinvestment and Recovery Act (ARRA) Update

The purpose of this memorandum is to provide an update to the City Council Finance Committee on the city's American Reinvestment and Recovery Act program and to seek committee direction on related policy decisions.

Administrative Update

As staff has previously discussed with the Finance Committee and the City Council, a framework has been designed to manage Asheville's economic recovery program, which includes the designation of existing personnel into key positions to ensure the highest levels of oversight, transparency and accountability. Brenda Mills, who has worked as the city's Minority Business Program coordinator, has agreed to serve as the ARRA project manager. Jeff Reble, the city's media production manager, will serve as the effort's communications manager, and will be responsible for online reporting requirements to www.ncrecover.gov and www.recovery.gov. The grants administrator role will be filled by Kris Grayson, who has experience through the Asheville Police Department applying for and administering federal grants.

Program Updates

Community Development

Homeless Prevention Fund

As previously reported to the Finance Committee, HUD has allocated \$509,000 from the Homeless Prevention and Rapid Re-housing Program (HPRP) to Asheville. In order to be eligible to receive these funds, Asheville is required to complete a substantial amendment to the Consolidated Plan 2008 Action Plan. In addition, staff will analyze the HPRP requirements, determine how the program will most benefit the community in the context of the existing Asheville-Buncombe 10 Year Plan to End Chronic Homelessness, and develop a Homeless Prevention and Re-housing Plan to guide the administration of a community sub-grant award process. Attachment 1 to this memorandum provides a detailed process and schedule for administering the program. A public meeting to introduce HPRP to service providers and the public is scheduled for April 1 at 11 a.m. in the Public Works Building, 161 S. Charlotte St.

Based on its connection to the city's Consolidated Action Plan and emphasis on housing, it is staff's recommendation that the City Council Housing and Community Development Committee be responsible for providing the policy oversight for the HPRP program moving forward, including the approval of the substantial amendment to the Consolidated Plan as well as the community application, evaluation, and sub-grant award process.

Environment

North Carolina Clean Water State Revolving Fund

At its meeting on February 24, 2009, City Council approved the submittal letters of intent to apply for funding for six projects from the North Carolina Clean Water State Revolving Fund

(SRF). Staff is now seeking committee approval to move forward with the applications for funding for these projects. If approved, staff would request a Resolution in support of the applications be placed on the agenda of the next City Council meeting on April 14, 2009. Attachment 2 to this memorandum provides a brief description of the projects under consideration.

Public Safety

Community Oriented Policing Services (COPS) Hiring Recovery Program (CHRP)

CHRP is a competitive grant program that provides funding directly to law enforcement agencies to create and preserve jobs and to increase community policing capacity and crime-prevention efforts. The grant provides 100 percent funding for approved entry-level salaries and benefits for three years (36 months) for newly-hired, full-time sworn officer positions (including filling existing unfunded vacancies) or for rehired officers who have been laid off, or are scheduled to be laid off on a future date, as a result of local budget cuts. There is no cap on the number of positions an agency may request, and there is no local match requirement; however, grantees must retain all sworn officer positions awarded under the CHRP grant for a period of one year (12 months) following the conclusion of grant funding. The retained CHRP-funded position(s) must be added to the budget supported by city government funds over and above the number of locally-funded positions that would have existed in the absence of the grant. In addition, the grant does not include funding for equipment or vehicles necessary for new personnel.

Based on City Council's strategic goals in the area of public safety and projected staffing needs over the next four year period, it is the Police Chief's recommendation that the City of Asheville pursue this funding opportunity for 12 additional police officers. In essence, the grant opportunity would allow the city to receive the benefit of additional police officers in the coming fiscal year that are projected to be necessary to maintain levels of service by year five of program implementation.

Given the feedback from the recent citizen survey indicating a need for greater law enforcement and crime prevention efforts in the downtown area, the Asheville Police Department would use the additional officers funded through the COPS grant to form a dedicated downtown patrol unit. The creation of this unit in Fiscal Year 2009-2010 would entail necessary related equipment and vehicle purchases to support these officers, which are outlined below.

- **Year 1 – GRANT FUNDING:** \$31,700 base salary plus benefits of \$12,500 for a total of \$44,200 per officer. (\$530,400 total for 12 requested officers)

CITY FUNDING: \$5,200 per officer for uniform and equipment would total \$62,400 during the first year. The purchase of four vehicles would be required at approximately \$35,000 each for a total of \$140,000. (\$202,400 total for 12 requested officers).

- **Year 2 – GRANT FUNDING:** \$33,399 base salary plus \$12,500 in benefits for a total of \$45,899 per officer. (\$550,788 total for 12 requested officers)
- **Year 3 – GRANT FUNDING:** \$34,539 base salary plus \$12,500 in benefits for a total of \$47,040 per officer. (\$564,480 total for 12 requested officers)

- **Year 4 – CITY FUNDING:** City would be responsible for a base salary of \$35,680 plus \$12,500 in benefits for a total of \$48,180 per officer. (\$578,160 total for 12 requested officers)

For 12 officers, the grant funding requested for years 1-3 would total \$1,645,668. At the end of three years, the city would be responsible for funding the full salary cost of \$578,160. The vehicles procured in year one would be scheduled for replacement at year five.

Policy Decisions and Next Steps

Staff is seeking City Council Finance Committee policy direction in the following areas:

- **Homeless Prevention and Rapid Re-housing Program:** Staff recommends that the Finance Committee approve the outlined process and schedule for the Homeless Prevention and Rapid Re-housing Program and designate the Housing and Community Development Committee as the policy oversight body for the HPRP program moving forward. Further staff updates and policy decisions would be brought forward to the HCD Committee for consideration.
- **North Carolina Clean Water State Revolving Fund:** Staff recommends that the Finance Committee approve the six applications known as Old Toll Road, Victoria Road Stormwater Improvements/Bank Stabilization, Dingle Creek Watershed Improvements, Ross Creek Watershed Improvements, Sardis Road Area Sewer and Airport Road Area Sewer to the North Carolina State Clean Water Revolving Fund. If approved by the committee, staff requests that a Resolution supporting the project be placed on the April 14, 2009 City Council agenda.
- **COPS Hiring Recovery Program:** Staff recommends that the Finance Committee authorize staff to move forward with developing an application for 12 additional police officers through the COPS Hiring Recovery Program, which entails three years of grant funding for salaries and benefits and then requires the city to assume such funding in year four through local sources.

CC: ARRA Project Team Leaders

Attachment 1 - Homelessness Prevention and Rapid Rehousing Program Process and Schedule				
	Activity	Who is involved?	Action Steps	Deliverables
3/26/09-4/1/09	<ul style="list-style-type: none"> Prepare HPRP information package Public Information Meeting 	<ul style="list-style-type: none"> CD Staff Christy Edwards Homeless Coalition members 	<ul style="list-style-type: none"> Review HPRP guidelines, located at www.hudhre.info Access technical assistance Develop HPRP summary, process timeline, to create an "HPRP Packet"; Publish HPRP Info. Handout on City of Asheville's Website Send invitation to Homeless Coalition, CDBG, and HOME mailing lists Send press release to local media outlets announcing the meeting 	<ul style="list-style-type: none"> HPRP Information Handout: Information on how to learn about other Reinvestment and Recovery funds.
4/1/09-4/16/09	<ul style="list-style-type: none"> Draft Asheville HPRP Plan Develop Substantial Amendment 	<ul style="list-style-type: none"> CD Staff 	<ul style="list-style-type: none"> Review HUD program requirements and priorities Assess how program will have greatest impact in Asheville in context of 10 year plan Create Homelessness Prevention Plan Draft Substantial Amendment 	<ul style="list-style-type: none"> Draft Asheville Homelessness Prevention and Rapid Re-Housing Plan Draft Substantial Amendment
4/14/2009	<ul style="list-style-type: none"> Present to HIAC Present to HDC 	<ul style="list-style-type: none"> CD Staff HIAC HCD Committee 	<ul style="list-style-type: none"> Present HPRP Packet on Asheville Homeless Prevention and RE-Housing Plan, and Substantial Amendment HCD Committee reviews draft Asheville HPRP and Substantial Amendment to the Action Plan. 	<ul style="list-style-type: none"> HCD Committee vote to recommend Plans to Council
4/30/09-5/12/09	<ul style="list-style-type: none"> Publish Action Plan Amendment Notice Receive Public Comment 	<ul style="list-style-type: none"> CD Staff 	<ul style="list-style-type: none"> Must be published 12 days before hearing 	<ul style="list-style-type: none"> Notice published
5/12/09	<ul style="list-style-type: none"> Hold Public Hearing City Council Approve Action Plan 	<ul style="list-style-type: none"> City Council CD Staff 	<ul style="list-style-type: none"> Resolution prepared by CD Staff according to HUD standards; submitted to City Manager as Staff report in accord with City guidelines 	<ul style="list-style-type: none"> Resolution Approved
5/15/09	Submit Application to HUD	<ul style="list-style-type: none"> City Manager CD Staff 	<ul style="list-style-type: none"> Application postmark deadline is 5/18/09, submit on 5/15/09 to ensure that any issues with submission can be managed. 	<ul style="list-style-type: none"> Application submitted
5/15/09-7/2/09	Develop Funding Application Process	<ul style="list-style-type: none"> CD Staff 	<ul style="list-style-type: none"> Develop HPRP summary, requirements, application guidelines & evaluation to create an "HPRP Application Package" 	<ul style="list-style-type: none"> HPRP Application Package
7/2/09	HUD Approval of Substantial Amendment	<ul style="list-style-type: none"> CD Staff 	<ul style="list-style-type: none"> Notice of Approval received 	<ul style="list-style-type: none"> Substantial Amendment Approved
7/10/09	Public meeting to present HPRP Application Package	<ul style="list-style-type: none"> CD Staff Christy Edwards Community Stakeholders 	<ul style="list-style-type: none"> Send completed HPRP Application Package to stakeholders Publish HPRP Application Package on City of Asheville's Website Send invitation to Homeless Coalition, CDBG, and HOME mailing lists, media, post on web 	<ul style="list-style-type: none"> Power Point HPRP Application Package
8/10/09	<ul style="list-style-type: none"> HPRP Applications received and reviewed 	<ul style="list-style-type: none"> CD Staff 	<ul style="list-style-type: none"> CD office will accept applications up until 5PM on 8/10/09 	<ul style="list-style-type: none"> Completed applications from community agencies
8/26/09	HCD Committee Meets	<ul style="list-style-type: none"> CD Staff 	<ul style="list-style-type: none"> HCD Committee will meet to review completed applications and 	<ul style="list-style-type: none"> Copies of completed

		<ul style="list-style-type: none"> HCD Committee 	make recommendations.	applications Evaluation/Scoring sheets completed by staff
8/29/09	Publish Public Hearing Notice re Proposed Funding in HUD required format	<ul style="list-style-type: none"> CD Staff 	<ul style="list-style-type: none"> Submit notice for publication in timely manner 	<ul style="list-style-type: none"> Public Hearing Notice
9/1/09	Grant Agreement between City and HUD executed	<ul style="list-style-type: none"> CD Staff City Manager 	<ul style="list-style-type: none"> Grant agreement reviewed and approved 	<ul style="list-style-type: none"> Grant Agreement
9/8/09	<ul style="list-style-type: none"> Public Hearing City Council Approve Funding Plan 	<ul style="list-style-type: none"> City Council CD Staff 	<ul style="list-style-type: none"> Resolution prepared by CD Staff according to HUD standards; submitted to City Manager as Staff report in accord with City guidelines 	
9/8/09-10/30/09	Subrecipient Grant Agreements	<ul style="list-style-type: none"> CD Staff Subgrantees 	<ul style="list-style-type: none"> Grant agreements drafted Grant agreement approved 	<ul style="list-style-type: none"> Grant Agreements in hand and Approved

Attachment 2 – North Carolina Clean Water State Revolving Fund Applications

Project Descriptions

Old Toll Road

Replace existing storm drainage pipe and a failed retaining wall, which will stabilize a roadway.

Fiscal Impact: \$500,000 project cost, which would incur a \$255,000 debt:
(\$250,000 grant, \$250,000 0% interest loan, \$5,000 loan fees)

Victoria Road Stormwater Improvements/Bank Stabilization

Install storm drainage infrastructure, curb and gutter, and stabilizing a roadway by installing a soil nail retaining wall on Victoria Road

Fiscal Impact: \$500,000 project cost, which would incur a \$255,000 debt:
(\$250,000 grant, \$250,000 0% interest loan, \$5,000 loan fees)

Dingle Creek Watershed Improvements

Install stormwater best management practices (BMPs) in the watershed and restore the Dingle Creek stream bank in selected locations.

Fiscal Impact: \$450,000 project cost, which would incur a \$229,500 debt:
(\$225,000 grant, \$225,000 0% interest loan, \$4,500 loan fees)

Ross Creek Watershed Improvements

Install stormwater BMPs in the watershed and restore the Dingle Creek stream bank in selected locations.

Fiscal Impact: \$450,000 project cost, which would incur a \$229,500 debt:
(\$225,000 grant, \$225,000 0% interest loan, \$4,500 loan fees)

Sardis Road Area Sewer

Install approximately 6,500 linear feet of sanitary sewer line in an area currently served by septic systems.

Fiscal Impact: \$1,800,000 project cost, which would incur a \$918,000 debt:
(\$900,000 grant, \$900,000 0% interest loan, \$18,000 loan fees)

Airport Road Area Sewer

Install approximately 6,500 linear feet of sanitary sewer line in an area currently served by septic systems.

Fiscal Impact: \$250,000 project cost, which would incur a \$127,500 debt:
(\$125,000 grant, \$125,000 0% interest loan, \$2,500 loan fees)